Issuance of GDR and ADR without permission from Government

2072. MISS MABEL REBELLO:
SHRIMATI CHANDRESH KUMARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to allow issuance of GDR and ADR freely without taking any permission from Government;

(b) if so, what steps Government propose to take to prevent flip by night operators misusing this facility; and

(c) whether Government have any contingency plan to tackle the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Government, in pursuance of the ongoing liberalisation process, have issued guidelines on the 19th January, 2000 dispensing with the requirement of obtaining the prior approval of the Ministry of Finance by Indian corporates for making ADR/GDR issues in the international markets. The liberalised guidelines would be applicable only in respect of issues with corresponding expansion of the existing capital base through issuance of fresh equity shares as underlying shares for ADRs/GDRs. Considering the close scrutiny and due diligence exercise the ADR/GDR issuer companies are required to undergo by the international bankers/lead managers, the stringent disclosure requirements of the Overseas Exchanges for listing in their exchanges, and the discerning nature of the investors in the global issues, it is expected that only those corporates would be able to access the ADR/GDR markets who have sustainable track record. The notification by the Reserve Bank of India issued under FERA on 20th January, 2000 granting general permission also stipulates that the issuer companies would need to comply with a post issue reporting requirement.

Income tax from employed persons

2073. SHRI E. BALANANDAN: Will the Minister of FINANCE be pleased to state:

(a) the income-tax earnings from employed persons and the employers in private sector/monopoly houses; and

(b) the top 20 income tax payees in the country and how many of them are from industrial houses and huge land owners?